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# Review of IT Governance

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# Content

- Research objective and research question
- Definitions of IT governance
- Literature review of selected Codes, Frameworks, Standards and Best Practices
- Assessment of the current industry application of governance concepts
- A generic governance framework for IT governance and the governance of outsourcing
- Conclusion



# Research objective & research question

## Research Objective:

- Literature review; IT governance efficiency survey to assess:
  - Does known reference models, frameworks and standards address governance requirements of ICT outsourcing companies?
  - Current status of IT governance practices.

## Research Question:

- Can a generic governance framework be formulated to address these requirements?

# What is 'IT Governance'?

It is ...

the responsibility of the board and executive

It consists of...

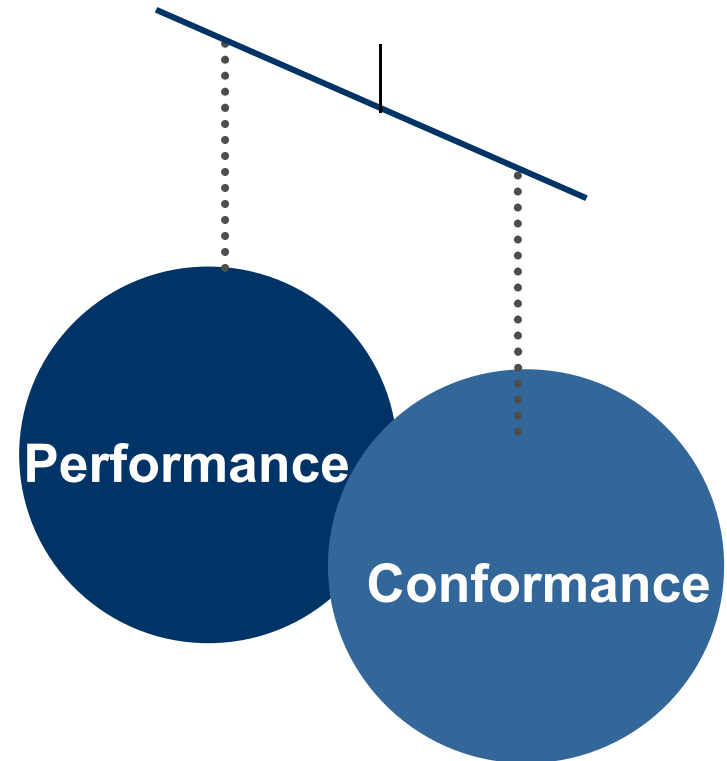
The leadership, organisational structures &  
processes...

to ensure that the enterprise's IT...  
sustain and extend organisational strategies &  
objectives.

# Enterprise governance drives IT governance

Enterprise governance is about:

- Conformance
  - Adhering to legislation, internal policies, audit requirements, etc.
- Performance
  - Improving profitability, efficiency, effectiveness, growth, etc.



Enterprise governance and IT governance require a balance between conformance and performance goals directed by the board.

# What is the 'governance of outsourcing'?

The responsibilities, roles, objectives, interfaces & controls required...

to anticipate change and ...

manage the introduction, maintenance, performance, costs and control of third-party provided services.

# **LITERATURE REVIEW OF SELECTED CODES, FRAMEWORKS, STANDARDS AND BEST PRACTICES**



# King III requirements – the link between IT governance practices and law

- Directors' duty of care: ensure prudent and reasonable steps taken re IT governance.
- Corporate governance practices, codes and guidelines lift the bar of what are regarded as appropriate standards of conduct.
- Failure to meet a recognised standard of governance, albeit not legislated, may render a board or individual director liable at law.



# King III requirements: IT governance

- IT governance...
  - is the responsibility of the board;
  - should be an integral part of enterprise governance structures;
  - should be owned by the board.
- The board must set the management direction. Required to...
  - assume more significant role in terms of IT governance, and
  - insist on establishment of an IT governance management framework:
    - To be based on a common approach, eg. COBIT.



# Company requirements: IT Governance focus areas

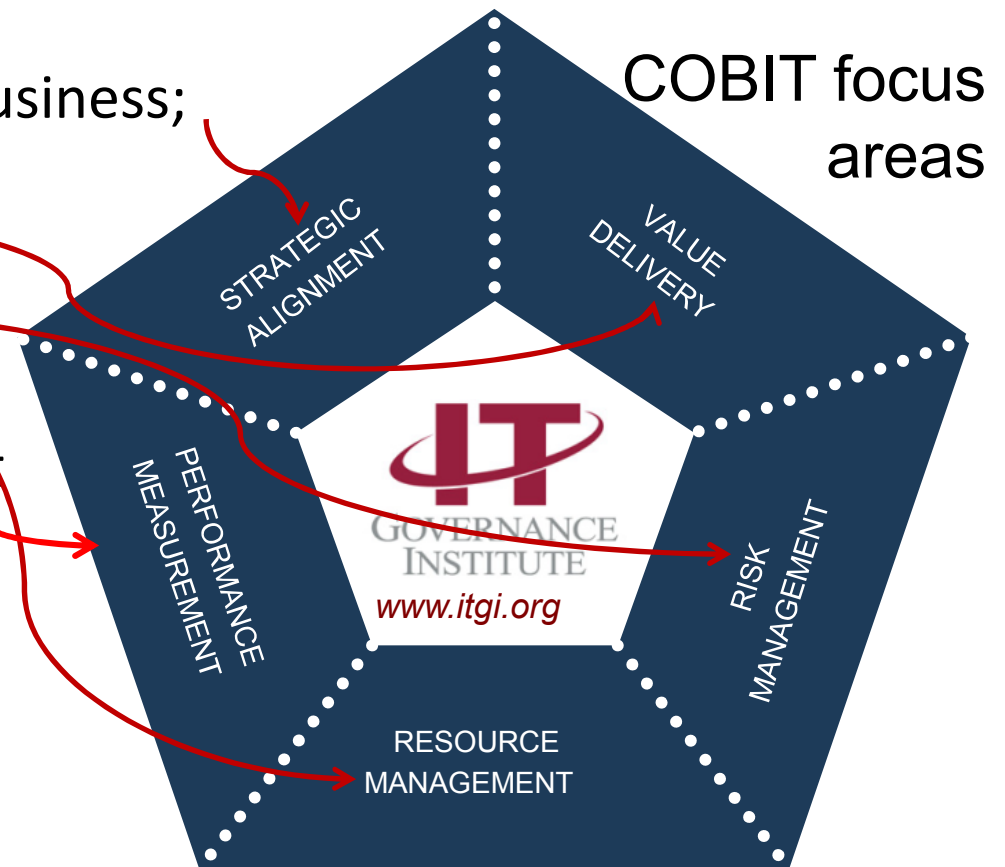
IT governance should focus on five key areas:

- strategic alignment with business;
- value delivery;
- risk management; and
- resource management.
- Performance Management

# Company requirements: IT Governance focus areas

IT governance should focus on five key areas:

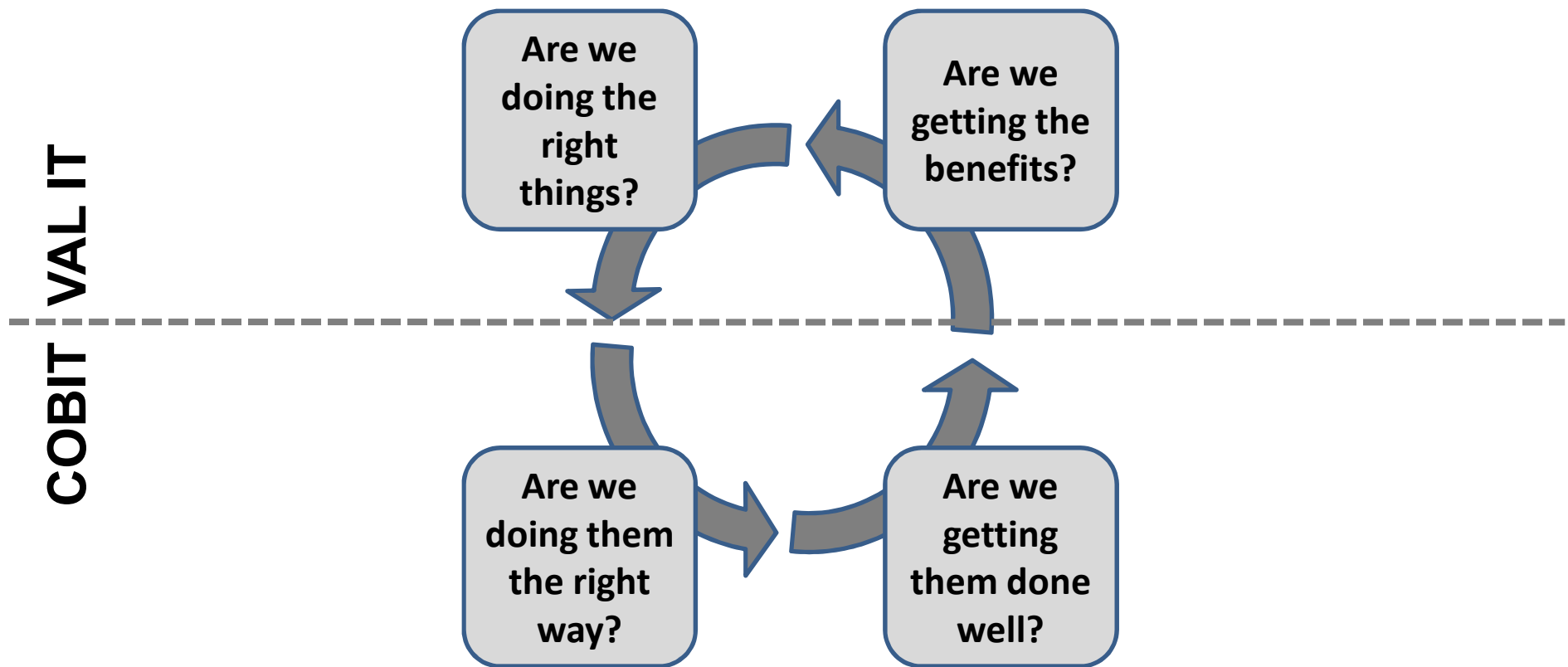
- strategic alignment with business;
- value delivery;
- risk management; and
- resource management.
- Performance Management



# Context: COBIT and VAL IT

**The strategic question**

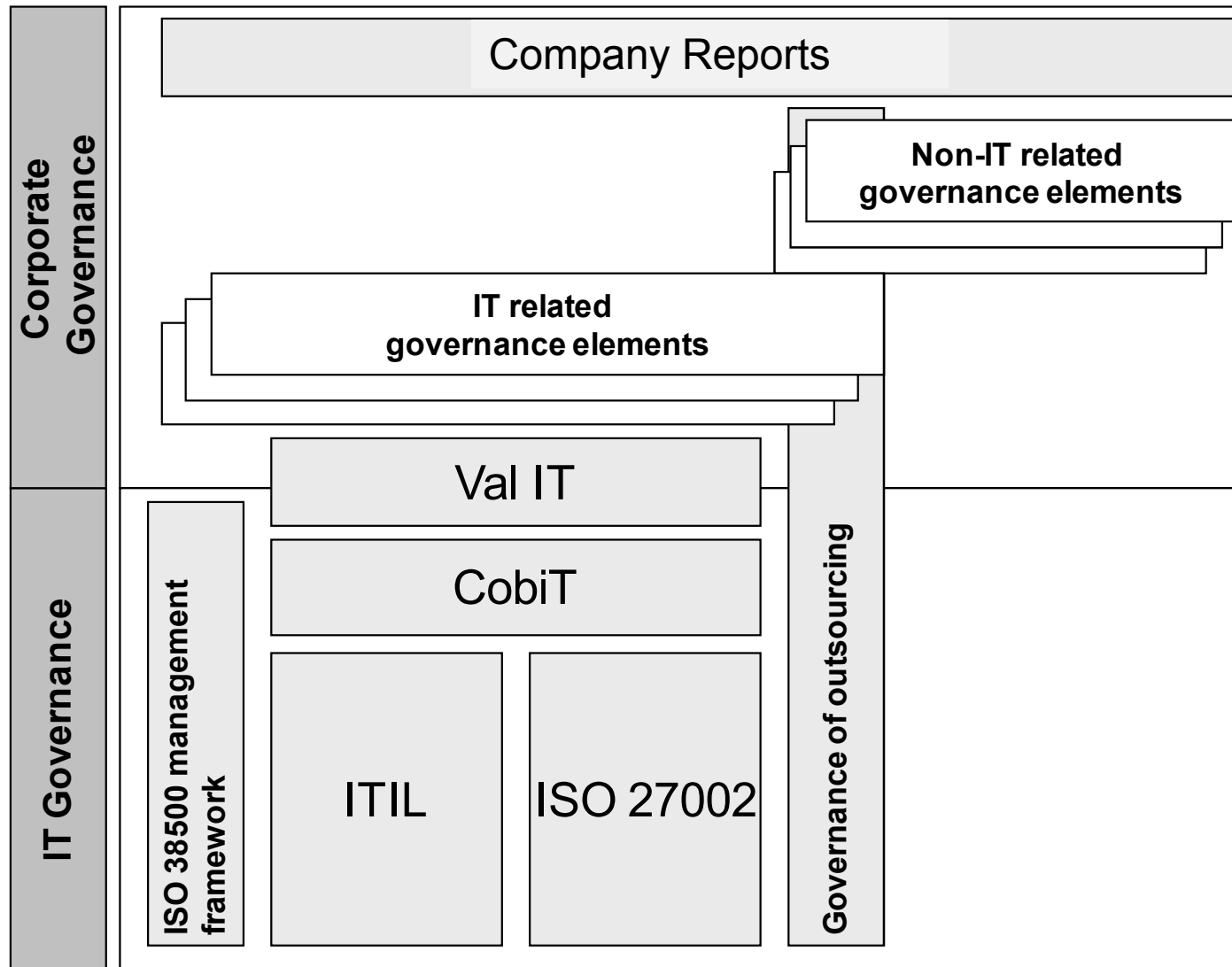
**The value question.**



**The architecture question**

**The delivery question**

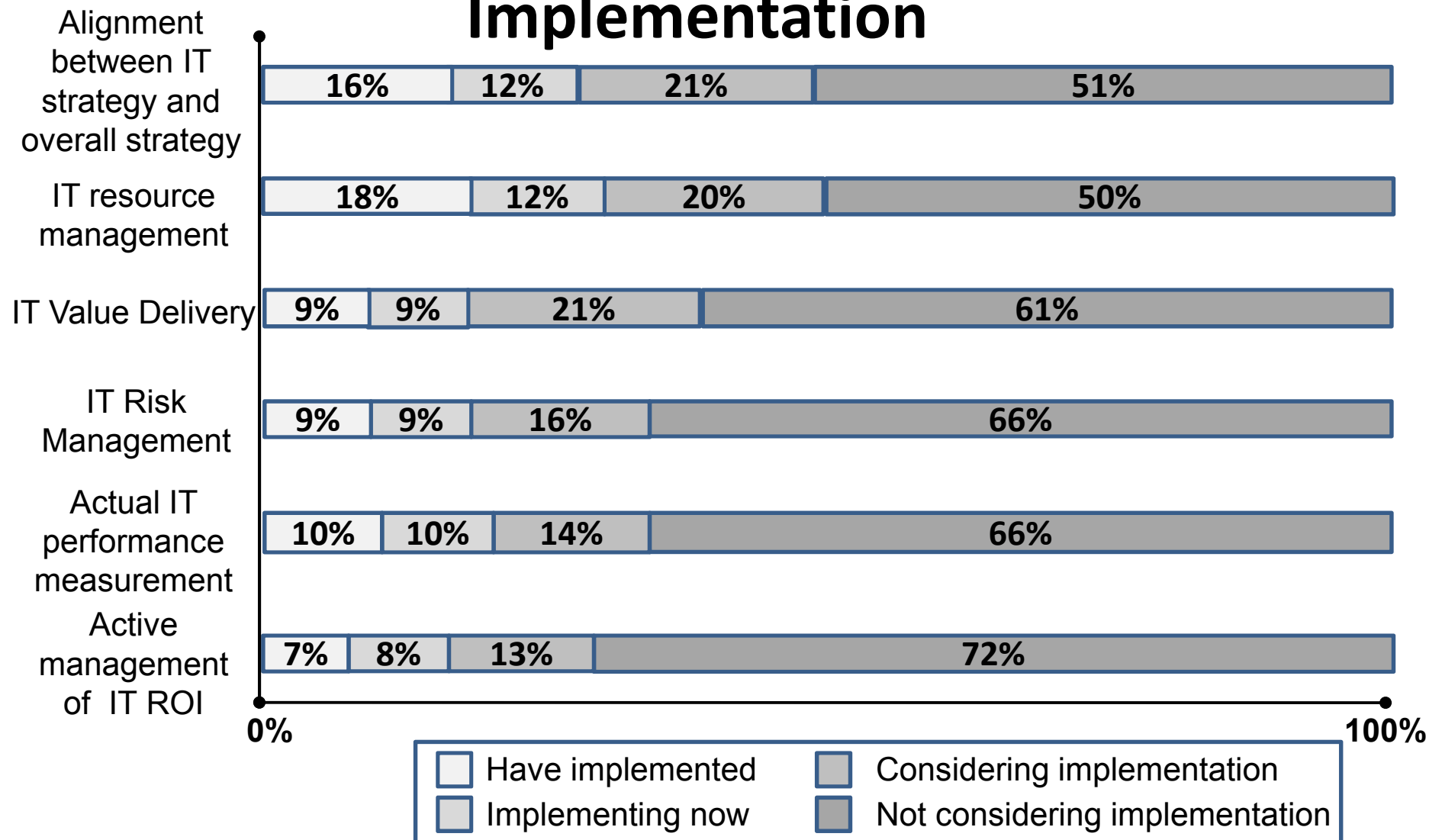
# Context: Best Practices



# **INDUSTRY APPLICATION OF GOVERNANCE CONCEPTS**



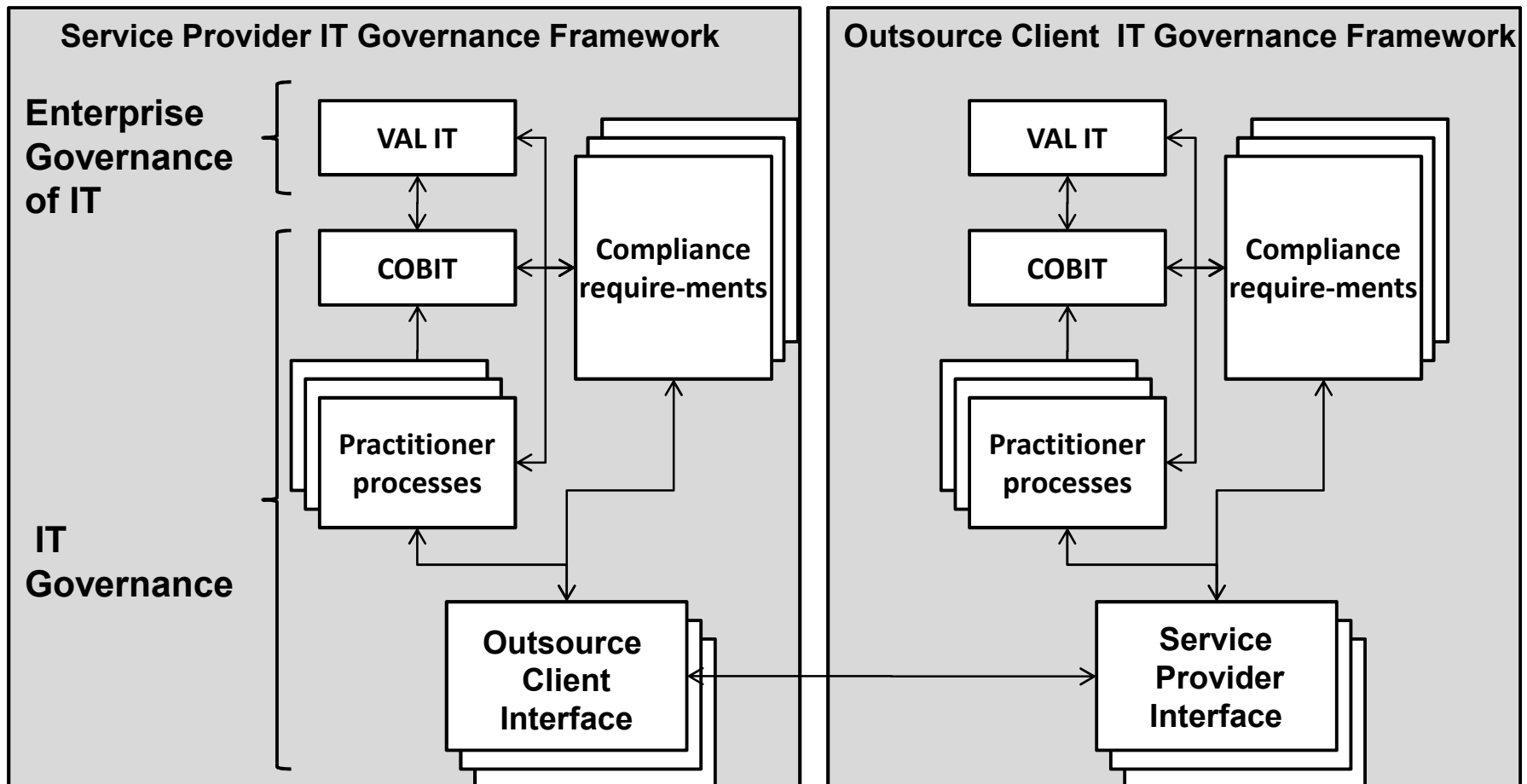
# Status: IT Governance Best Practise Implementation



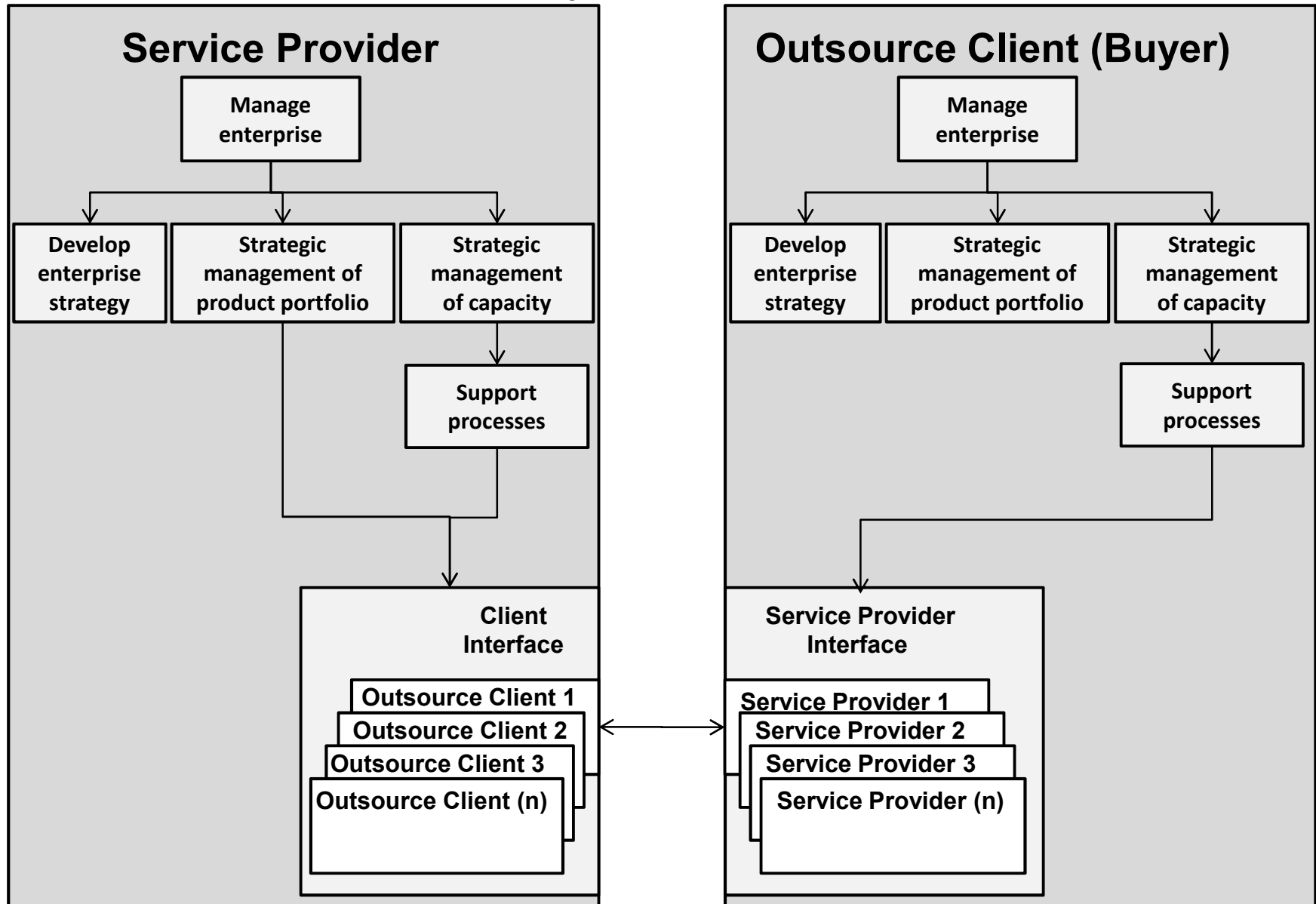
# **GENERIC GOVERNANCE FRAMEWORK FOR IT AND OUTSOURCING**



# Generic governance model

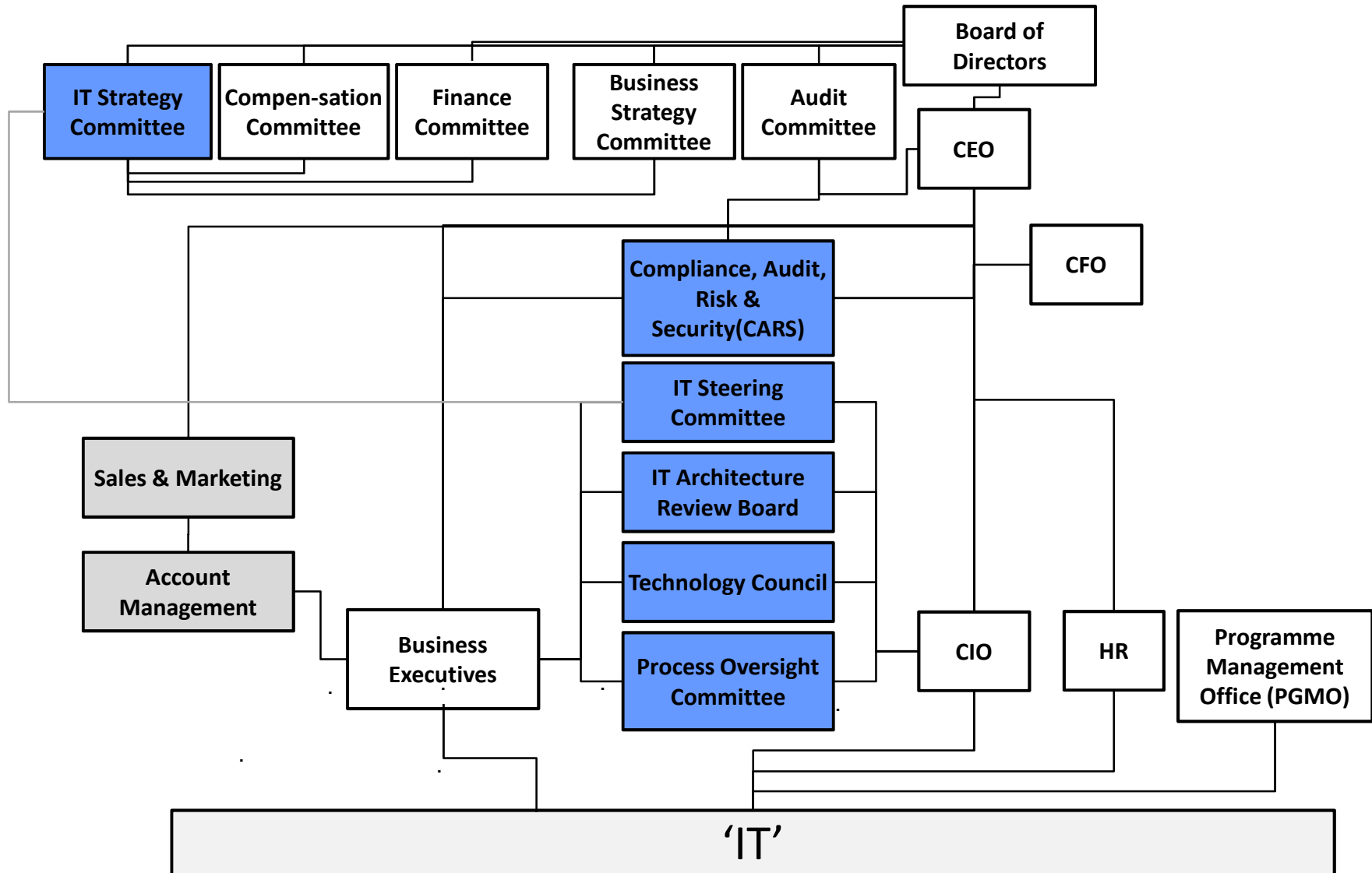


# Generic process model



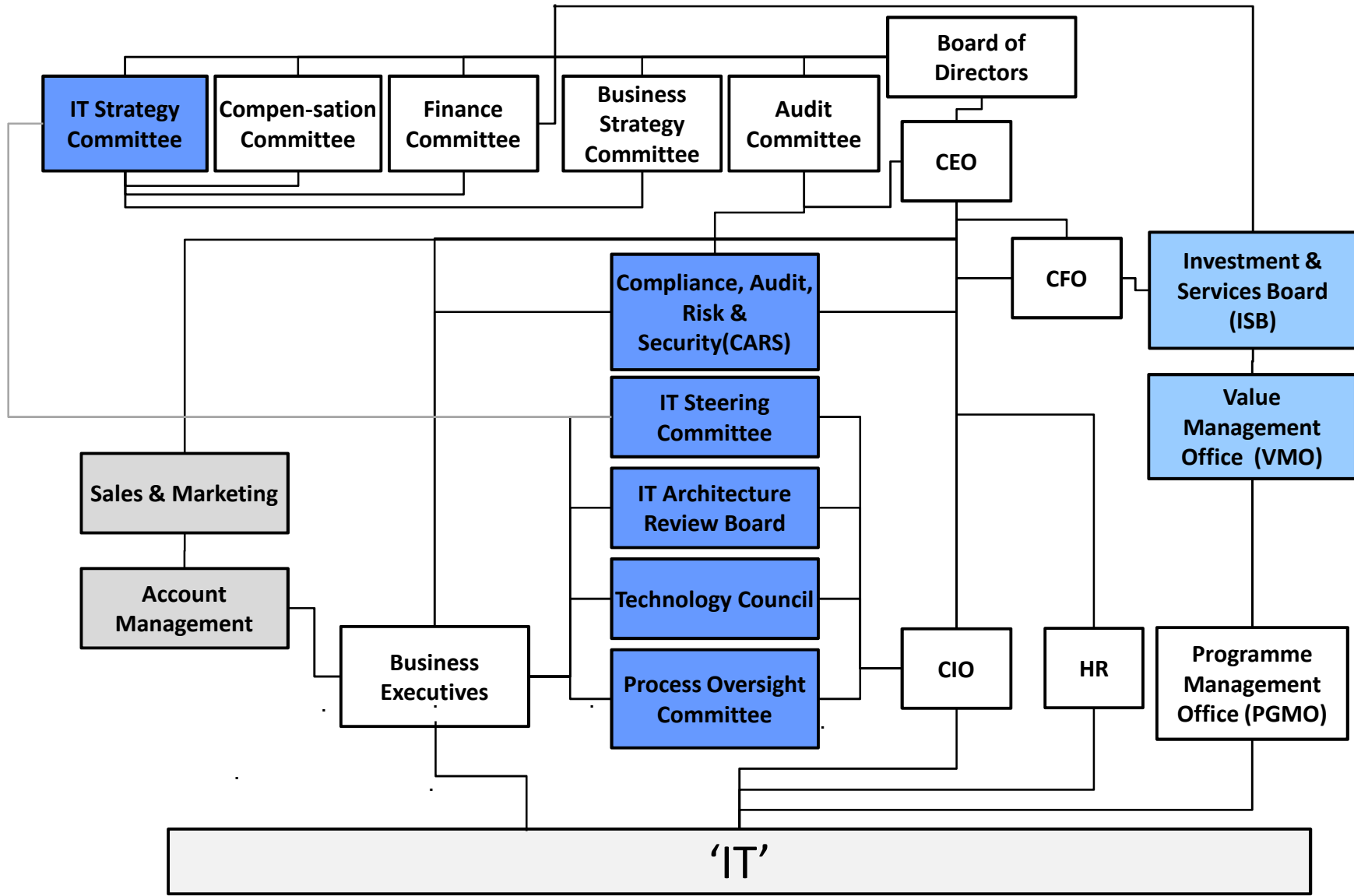
# IT governance interrelationships

(service provider perspective)



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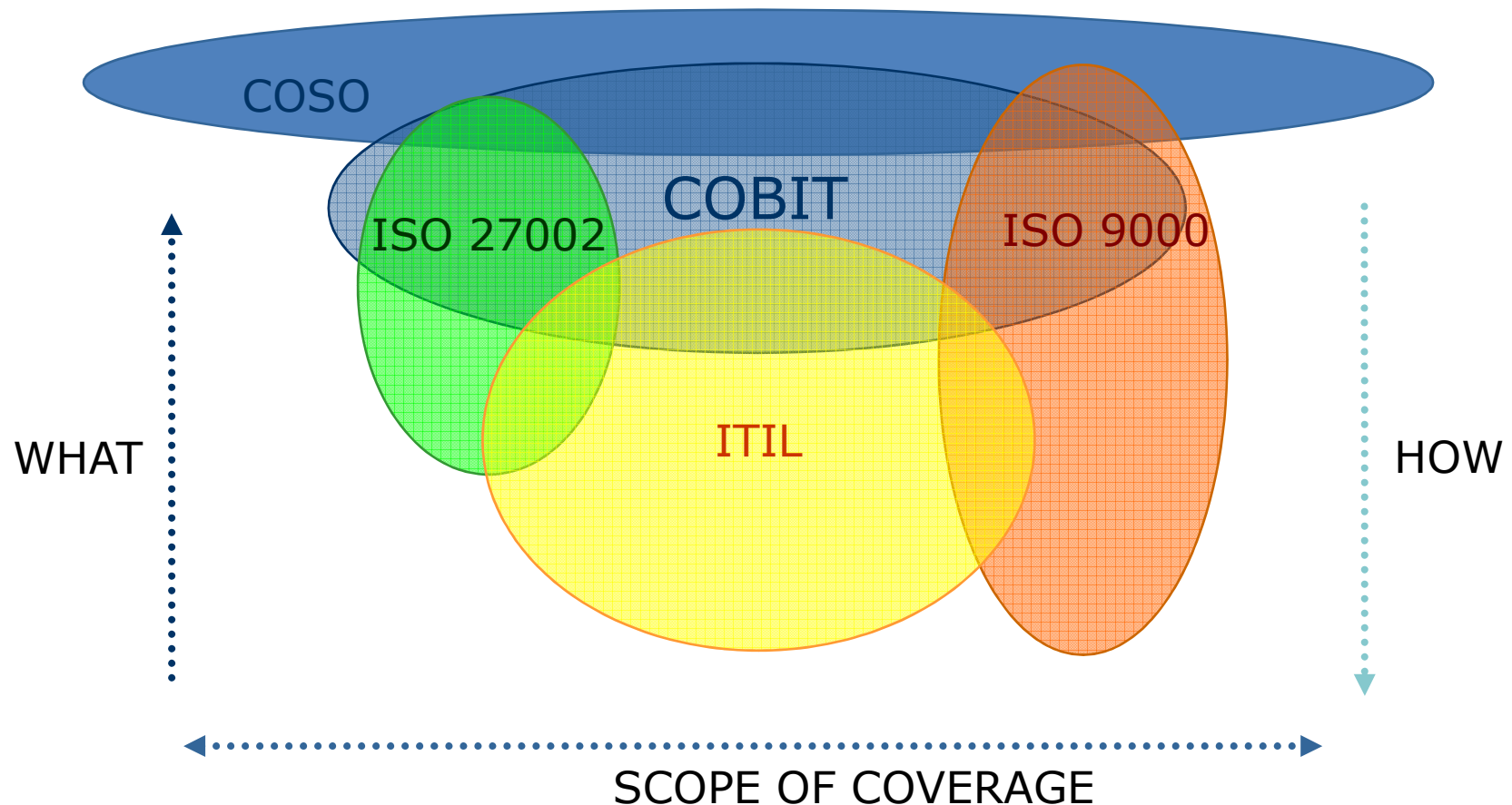


# BACKUP SLIDES

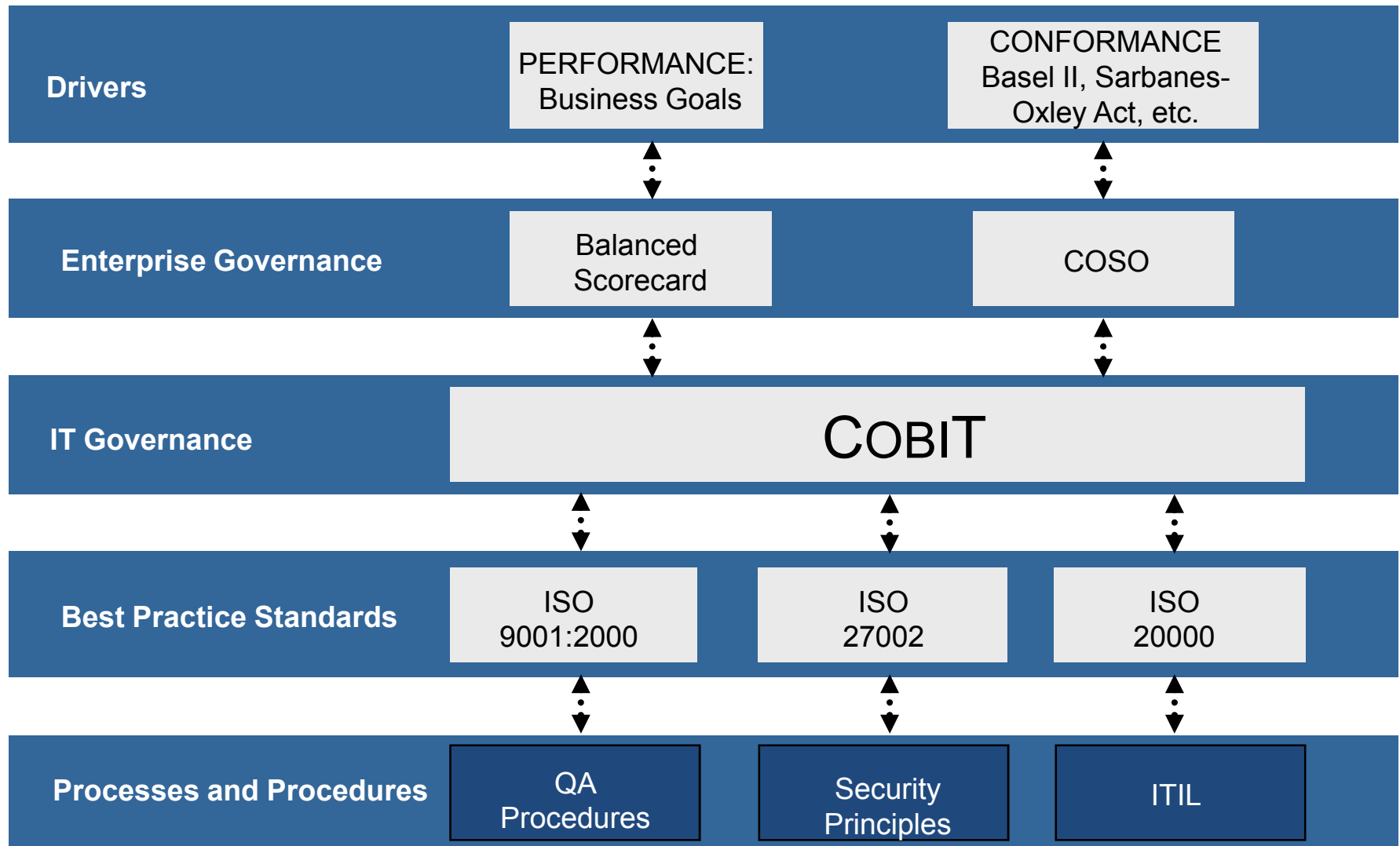


# COBIT & Other IT Management Frameworks

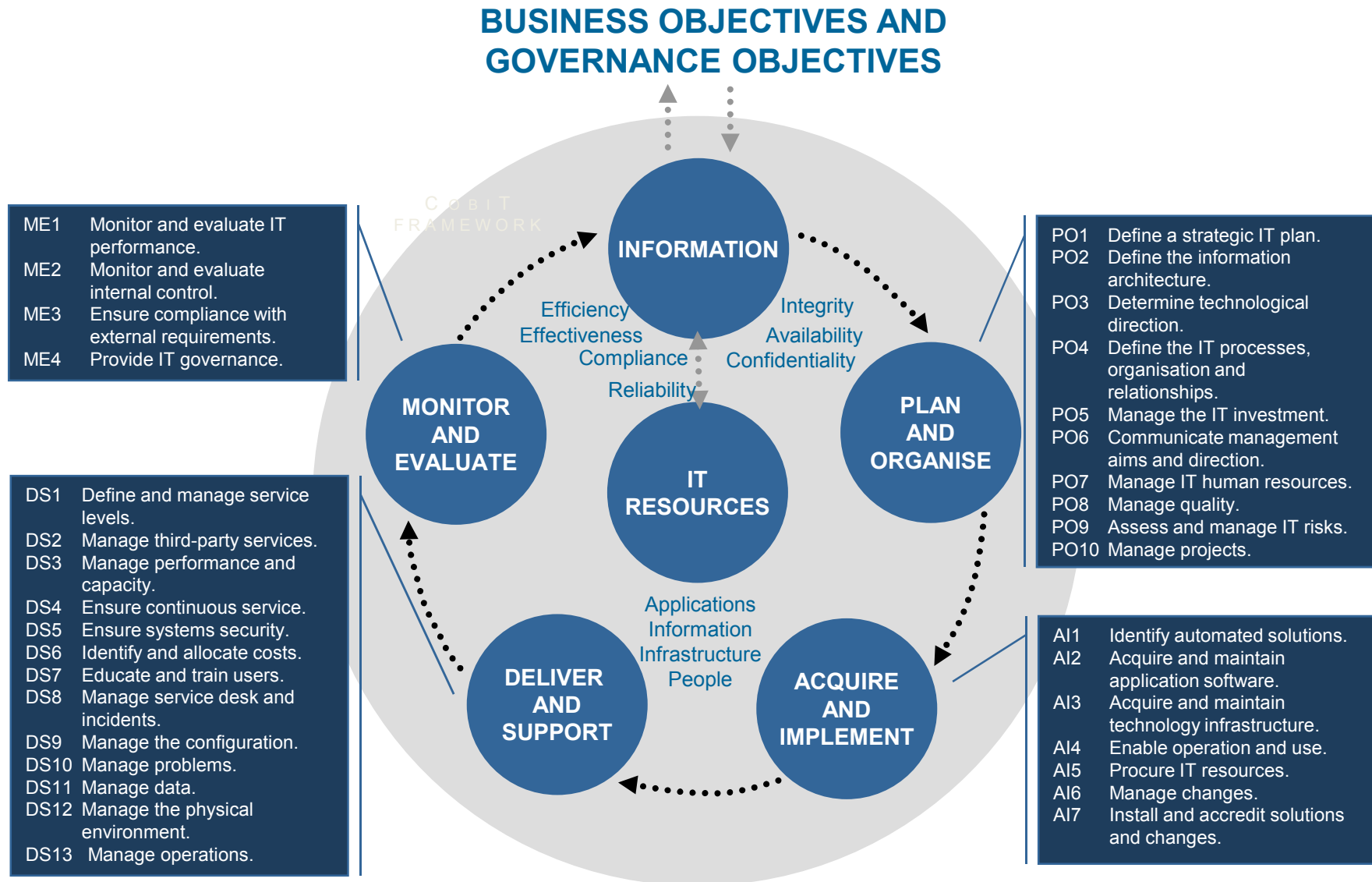
Organisations will consider and use a variety of IT models, standards and best practices. These must be understood in order to consider how they can be used together, with COBIT acting as the consolidator ('umbrella').



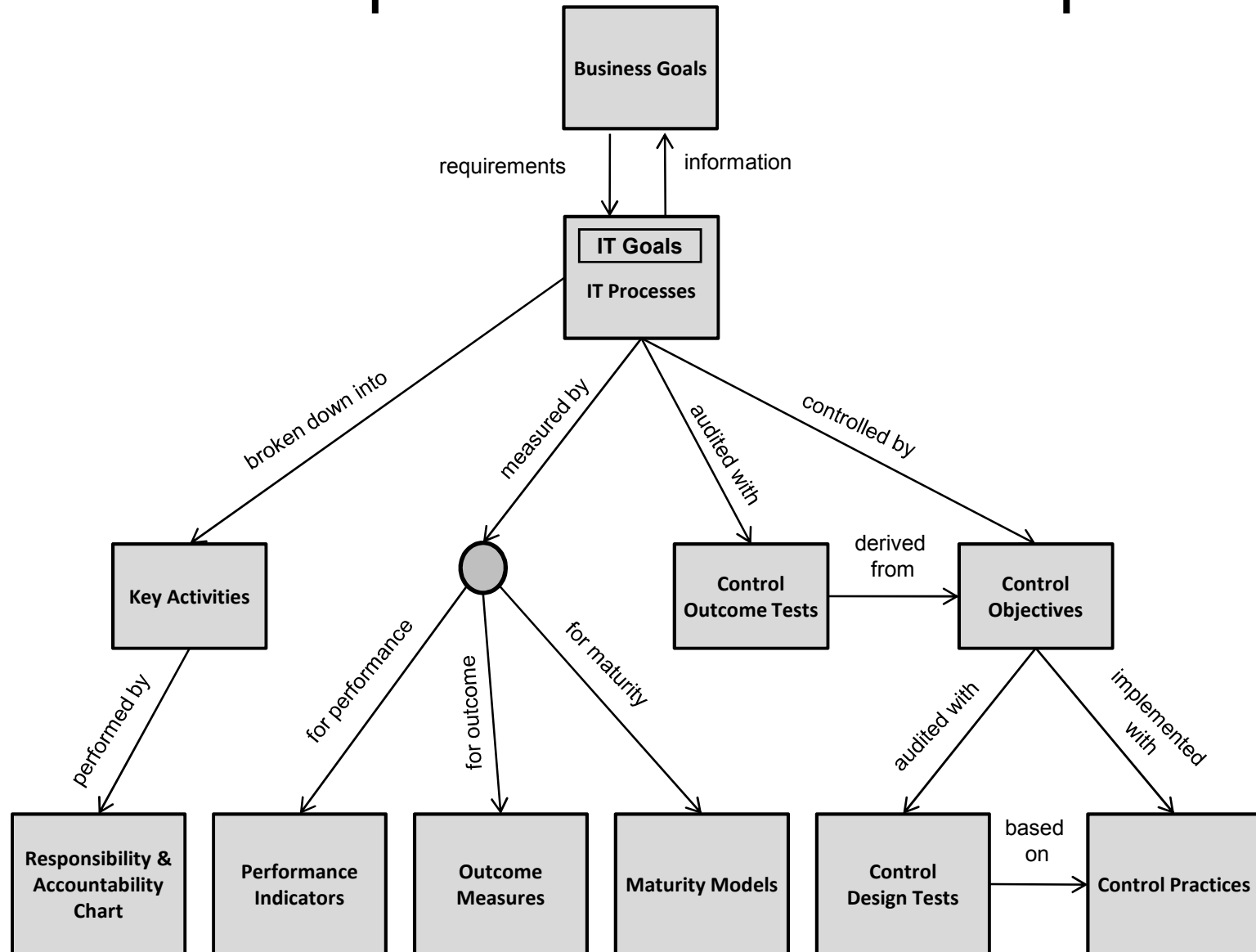
# Where Does COBIT Fit?



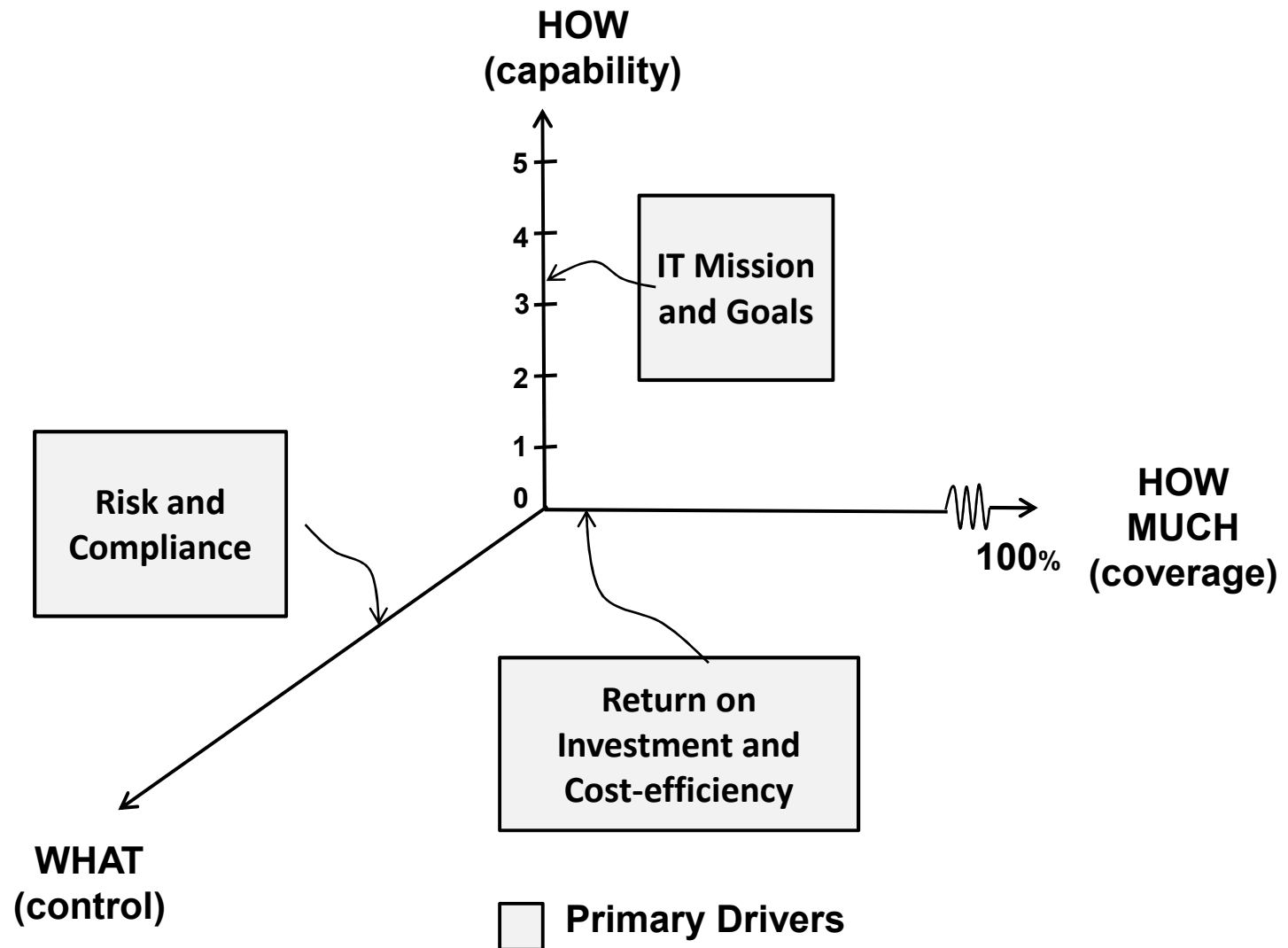
# COBIT Framework



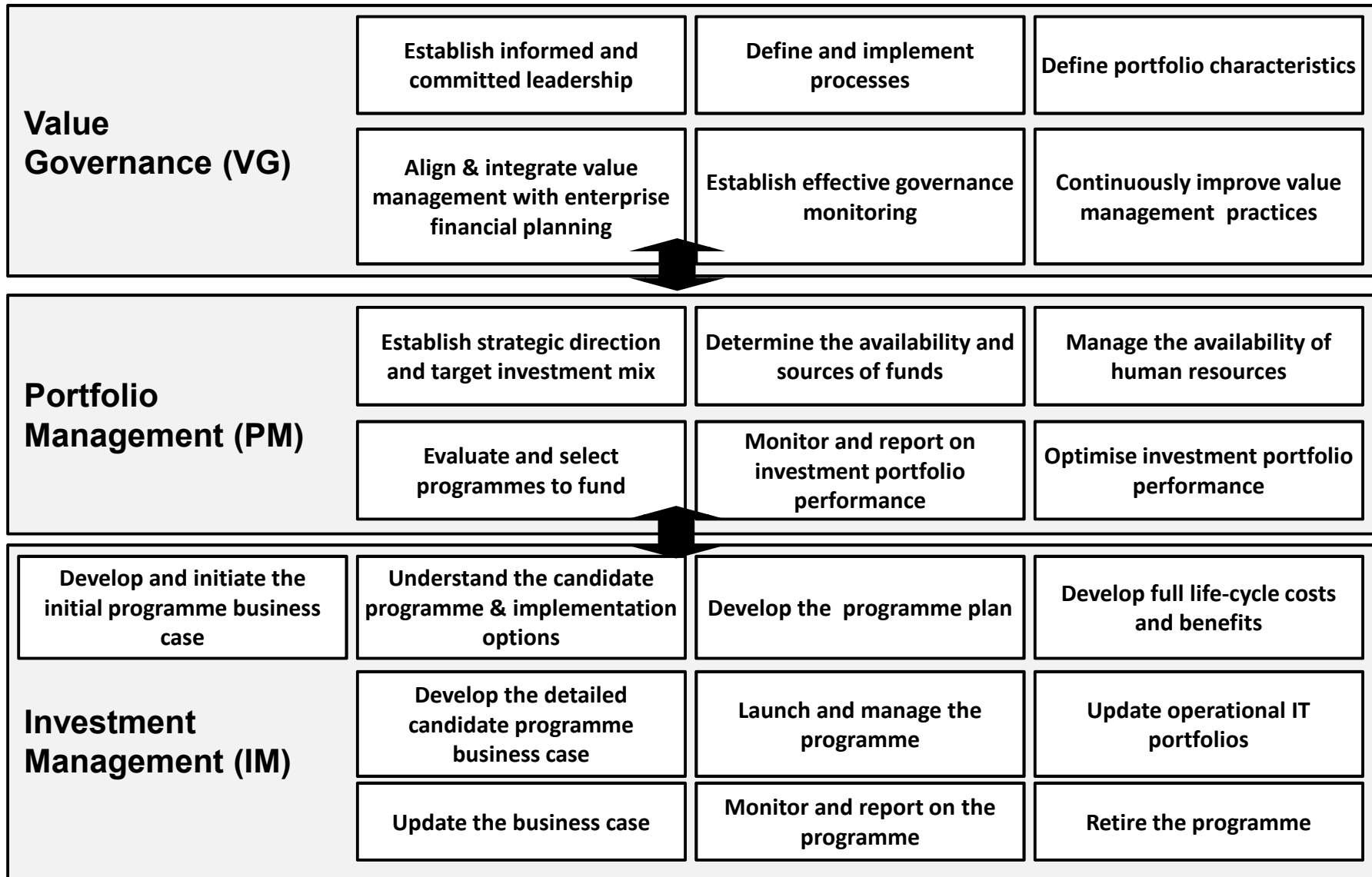
# Interrelationship of the COBIT Components



# Dimensions of Maturity



# VAL IT domains & processes



# Road map to IT governance

